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INITIATIVE 918

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 918 to the People is a true and correct copy as it was received by this office.

AN ACT Relating to transportation; amending RCW 46.61.165, 82.08.020, and 36.120.160; reenacting and amending RCW 43.84.092; adding a new section to chapter 82.12 RCW; adding a new section to chapter 46.68 RCW; adding new sections to chapter 47.10 RCW; adding a new section to chapter 47.05 RCW; creating new sections; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

POLICIES AND PURPOSES

NEW SECTION. **Sec. 1.** During these tough economic times, the voters deserve a common sense proposal to increase traffic flow by improving Washington's transportation system with better use of existing public resources.

This measure would open carpool lanes to all traffic during off-peak hours, dedicate state sales and use taxes on motor vehicles to fund traffic congestion relief projects as defined, and require the state to issue bonds.

We all pay taxes for our carpool lanes, so everyone should be allowed to use them at least some of the time. This measure strikes a

reasonable balance by allowing our carpool lanes to be open to everyone during off-peak hours (this measure defines peak hours as 6:00 a.m. through 9:00 a.m. and 3:00 p.m. through 6:00 p.m. Monday through Friday). Existing road capacity must be utilized to maximize its effectiveness. How can we increase road capacity and increase traffic flow to our most congested roadways without spending billions of dollars? By opening our carpool lanes to everyone during off-peak hours. This will quickly, significantly, and cost-effectively increase traffic flow and relieve traffic congestion on our most congested roadways and will illustrate that increased road capacity results in decreased traffic congestion.

In order to reduce congestion, it is essential that existing vehicle taxes get spent on roads. Vehicle purchases generate billions of dollars in sales tax revenue. People who buy vehicles should have their taxes go toward reducing traffic congestion on our roads, streets, and highways at the state and local level.

Year after year, Washington voters have repeatedly rejected the business-as-usual, the-only-solution-is-a-tax-increase mentality. During these tough economic times, the people deserve a common sense proposal to decrease traffic congestion by improving Washington's transportation system with better use of existing public resources.

The people direct that the provisions of this initiative be implemented without impact on funding for criminal justice, social services, health care, education and other government services. The people direct the legislature to prioritize spending, utilize the tax surplus, and implement performance audit recommendations to ensure that front-line government services are maintained and strengthened. Decreased traffic congestion ensures a growing, thriving economy which is essential in generating the tax revenue necessary to fund government services.

**INCREASES TRAFFIC FLOW BY OPENING CARPOOL LANES TO EVERYONE
DURING OFF-PEAK HOURS**

Sec. 2. RCW 46.61.165 and 1999 c 206 s 1 are each amended to read as follows:

The state department of transportation and the local authorities are authorized to reserve all or any portion of any highway under their respective jurisdictions as carpool lanes, including any designated

lane or ramp, for the exclusive or preferential use of public transportation vehicles or private motor vehicles carrying no fewer than a specified number of passengers when (~~((such))~~) the limitation will increase the efficient utilization of the highway or will aid in the conservation of energy resources. Regulations authorizing (~~((such))~~) exclusive or preferential use of a highway facility (~~((may be declared to be))~~) are effective (~~((at all times or at specified times of day or on specified days))~~) only at the specified times of day and on the specified days designated in this section. In order to decrease traffic congestion, existing road capacity must be utilized to maximize its effectiveness. Therefore, as of the effective date of this act, all carpool lanes shall be opened during off-peak hours for use by all vehicles otherwise lawfully abiding by the rules of the road of this state. For the purposes of this section, "carpool lanes" are high-occupancy vehicle lanes including express lanes, ramp-meter bypass lanes, and on-ramps and off-ramps on any highway or roadway. It is the intent of this act that this policy be in effect for future carpool lanes. For the purposes of this section, "peak hours" are 6:00 a.m. through 9:00 a.m. and 3:00 p.m. through 6:00 p.m. Monday through Friday and "off-peak hours" are days and hours not specified as "peak hours." Nothing in this section is intended to restrict the operation of RCW 46.44.080, 46.61.100, or 46.61.135, thus continuing restricted truck usage of city streets. Violation of a restriction of highway usage prescribed by the appropriate authority under this section is a traffic infraction.

**DEDICATES EXISTING VEHICLE TAXES TO FUND THE OPENING OF
CARPOOL LANES TO EVERYONE DURING OFF-PEAK HOURS
AND OTHER TRAFFIC CONGESTION RELIEF PROJECTS**

Sec. 3. RCW 82.08.020 and 2006 c 1 s 3 (Initiative Measure No. 900, approved November 8, 2005) are each amended to read as follows:

(1) There is levied and there shall be collected a tax on each retail sale in this state equal to six and five-tenths percent of the selling price.

(2) There is levied and there shall be collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection shall be

deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection shall be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section shall be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection shall be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter shall apply to successive retail sales of the same property.

(7) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

(8) Beginning on December 7, 2006, taxes collected from the sales tax levied in subsection (1) of this section on each motor vehicle retail sale in this state shall be deposited in the Traffic Congestion Relief Projects Account created in section 5 of this act. For the purposes of this subsection, "motor vehicle" has the same meaning as provided in RCW 82.12.045.

NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12 RCW to read as follows:

Beginning on December 7, 2006, taxes collected under this chapter for the use of motor vehicles, as defined in RCW 82.12.045, based on the rate in RCW 82.08.020(1) shall be deposited in the Traffic Congestion Relief Projects Account created in section 5 of this act.

CREATES THE TRAFFIC CONGESTION RELIEF PROJECTS ACCOUNT

NEW SECTION. **Sec. 5.** A new section is added to chapter 46.68 RCW to read as follows:

(1) The Traffic Congestion Relief Projects Account is hereby created in the motor vehicle fund. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for traffic congestion relief projects and to pay the principal and interest on the bonds authorized for traffic congestion relief projects.

(2)(a) For purposes of this section, "traffic congestion relief projects" are defined as those that expand road capacity and general purpose use to improve traffic flow for all vehicles including, but not limited to:

(i) Any shoulder improvements and signage necessary to fully implement the opening of carpool lanes to all traffic during off-peak hours as required by RCW 46.61.165;

(ii) The addition of general purpose lane(s) to Interstate 5;

(iii) The addition of general purpose lane(s) to Interstate 405;

(iv) The addition of general purpose lane(s) to state route number 520; and

(v) The addition of general purpose lane(s) to Interstate 90.

(b) For the purposes of this section, "traffic congestion relief projects" do not include bike paths, wildlife crossings, landscaping, park and ride lots, ferries, buses, monorail, light rail, heavy rail, bus-rapid-transit (BRT), high-occupancy toll (HOT) lanes, and high-occupancy vehicle lanes or improvements other than those allowed in (a) of this subsection.

(3) That portion of sales and use tax revenues specified in RCW 82.08.020 and section 4 of this act must be deposited in the Traffic Congestion Relief Projects Account.

(4) The proceeds from the sale of bonds authorized in section 6 of this act must also be deposited in the Traffic Congestion Relief Projects Account. The proceeds are available only for the purposes enumerated in this act and for the payment of anticipation notes, if any, and for the payment of bond issuance costs, including the costs of underwriting.

(5) Any earnings on surplus balances in this fund will be invested and credited to the fund in accordance with RCW 43.84.092.

REQUIRES THE STATE TO ISSUE BONDS USING EXISTING VEHICLE TAXES TO

**FUND THE OPENING OF CARPOOL LANES TO EVERYONE DURING OFF-PEAK HOURS
AND OTHER TRAFFIC CONGESTION RELIEF PROJECTS**

NEW SECTION. **Sec. 6.** A new section is added to chapter 47.10 RCW to read as follows:

In order to provide funds necessary for the immediate design and construction of selected traffic congestion relief projects, as defined in section 5 of this act, there shall be issued and sold a total of ten billion dollars of general obligation bonds of the state of Washington, which must be appropriated and used in accordance with section 5 of this act.

NEW SECTION. **Sec. 7.** A new section is added to chapter 47.10 RCW to read as follows:

As the bonds authorized in section 6 of this act are repaid, new bonds may be issued to the maximum of ten billion dollars as set forth in section 6 of this act, and the moneys appropriated to construct additional traffic congestion relief projects, as defined in section 5 of this act.

NEW SECTION. **Sec. 8.** A new section is added to chapter 47.10 RCW to read as follows:

Bonds issued under the authority of section 6 of this act must distinctly state that they are a general obligation of the state of Washington, pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and contain an unconditional promise to pay the principal and interest on the bonds as they become due. The principal and interest on the bonds are first payable from the sales and use taxes on motor vehicles dedicated under RCW 82.08.020(7) and section 4 of this act. Proceeds of these dedicated taxes are pledged to the payment of any bonds and the interest on them. The state agrees to continue to impose these sales and use taxes on motor vehicles in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this act.

NEW SECTION. **Sec. 9.** A new section is added to chapter 47.10 RCW to read as follows:

Both principal and interest on the bonds issued for the purpose of section 6 of this act are payable from the traffic congestion relief projects account created in section 5 of this act. The state finance committee may provide that a special account be created to facilitate payment of the principal and interest of these bonds. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the Traffic Congestion Relief Projects Account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account, such amounts, and at such times, as are required by the bond proceedings. Any funds required for bond retirement or interest on the bonds authorized by section 6 of this act must be taken from the Traffic Congestion Relief Projects Account in the motor vehicle fund.

Sec. 10. RCW 36.120.160 and 2002 c 56 s 116 are each amended to read as follows:

Any improvement to a state highway or road facility constructed under this chapter becomes and remains the property of this state.

NEW SECTION. **Sec. 11.** A new section is added to chapter 47.05 RCW to read as follows:

This chapter does not apply to the projects authorized under sections 1 through 10 of this act or to the process set forth therein for authorization and funding.

Sec. 12. RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the

federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the emergency reserve fund, The Evergreen State College capital projects account, the federal forest

revolving account, the freight mobility investment account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the high-occupancy toll lanes operations account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puyallup tribal settlement account, the real estate appraiser commission account, the regional transportation investment district account, the resource management cost account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the Traffic Congestion Relief Projects Account, the transportation infrastructure account, the transportation partnership account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington fruit express account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement

account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (4)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

MISCELLANEOUS

NEW SECTION. **Sec. 13.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION. **Sec. 14.** Part headings used in this act are not any part of the law.

NEW SECTION. **Sec. 15.** If any provision of this act of its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. If the provisions dedicating the state sales and use tax revenues to the Traffic Congestion Relief Projects Account are held to impair any bond or other contract in existence at the time this act becomes effective, the provisions shall be applied prospectively and to all other persons and circumstances.

NEW SECTION. **Sec. 16.** This act shall be known and cited as the Open Carpool Lanes During Off-Peak Hours Act.

NEW SECTION. **Sec. 17.** This act takes effect December 7, 2006.